

**STATE OF MICHIGAN  
IN THE CIRCUIT COURT FOR THE COUNTY OF LIVINGSTON**

VECTOR MOTORSPORTS, LLC,  
Plaintiff/Counter-Defendant,

v.

Case No. 21-31253-CB  
Hon. Michael P. Hatty

MIKE DERAEDT  
Defendant/Counter-Plaintiff  
and

DAC HOLDING, LTD (dba  
ARRINGTON PERFORMANCE) and  
DIVERSIFIED CREATIONS, INC.,  
Defendants.

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**OPINION AND ORDER ON PLAINTIFF’S  
MOTION FOR PRELIMINARY INJUNCTION**

At a session of the 44<sup>th</sup> Circuit Court,  
held in the City of Howell, Livingston County,  
on the 23rd day of February, 2022.

THIS MATTER comes before the Court on Plaintiff’s Motion for Preliminary Injunction. This Court, having reviewed the Parties’ submitted briefs, having heard oral from the Parties, being otherwise fully advised in the premises, and for the reasons stated, GRANTS Plaintiff’s Motion in part, as set forth herein.

Plaintiff is a Michigan limited liability company located in Livingston County. Defendants Arrington and Diversified are both Michigan corporations, also located in Livingston County. All of these entities perform specialized automotive services on different types of high-end vehicles in separate niche markets. Defendant Deraedt began his employment with Plaintiff, as its Director of Operations, on October 11, 2019. Simultaneous to the commencement of his employment with Plaintiff, Defendant Deraedt executed a “Confidentiality and Non-Disclosure

Agreement.” On October 20, 2019, Defendant Deraedt executed a “Non-Compete, Non-Solicitation and Confidentiality Agreement.”

On August 30, 2021, Defendant Deraedt left his employment with Plaintiff and subsequently began his employment with Defendants as a technician/mechanic. Plaintiff commenced this action on September 17, 2021, asserting legal and equitable claims relative to the aforementioned agreements and for tortious interference against all parties.

An injunction is an extraordinary remedy which should be granted only when justice requires. *Fancy v Egrin*, 177 Mich App 714, 720; 442 NW2d 765 (1989). Four factors must be considered in determining whether to grant injunctive relief: (1) the likelihood that the party requesting the injunction will prevail on the merits; (2) the danger that the party seeking the injunction will suffer irreparable harm if the injunction is not issued; (3) the risk that the party seeking the injunction will be harmed more by absence of an injunction than the opposing party would be by granting the relief; (4) the harm to public interest if the injunction is issued. *Michigan State Employees Ass’n v Dept of Mental Health*, 421 Mich 152; 365 NW2d 93 (1984).

Demonstrating irreparable harm is an “indispensable requirement” to obtaining a preliminary injunction. *Michigan Coalition of State Employees Unions v Michigan Civil Serv Comm’n*, 465 Mich 212; 634 NW2d 692 (2001). Irreparable harm requires the showing of a non-compensable injury for which there is no legal measure of damages. *Thermatool Corp v Borzyn*, 227 Mich App 366; 575 NW2d 334 (1998). Further, “[a]t the hearing on an order to show cause why a preliminary injunction should not issue, the party seeking injunctive relief has the burden of establishing that a preliminary injunction should be issued whether or not a temporary restraining order has been issued.” MCR 3.310(A)(4).

Of these four factors, the most important is the likelihood that the plaintiff will suffer irreparable injury of a nature beyond the power of the court to remedy before a trial on the merits

may occur. The showing of irreparable injury must be “particularized.” *Lash v City of Traverse City*, 479 Mich 180; 735 NW2d 628 (2007). There must be a real and imminent danger of irreparable injury. *Michigan Council 25, AFSCME v Wayne County*, 136 Mich App 21, 25; 355 NW2d 624 (1984). Speculative or potential injuries do not suffice. *Pontiac Fire Fighters Union Local 376 v City of Pontiac*, 482 Mich 1, 11; 753 NW2d 595 (2008). Thus, if trial will take place before any injury is likely to occur, injunctive relief is not appropriate. Nor is equitable relief appropriate if the injury is of such a nature that other adequate relief, normally money damages, is available. Thus, once imminent irreparable injury has been established, the court must balance the other factors. In general, the extent to which a party must demonstrate a likelihood of success varies inversely with the degree of harm the party will suffer absent an injunction. *Roth v Bank of the Commonwealth*, 583 F2d 527, 538 (CA6 1978).

An employer may obtain from an employee an agreement or covenant which protects an employer's reasonable competitive business interests and expressly prohibits an employee from engaging in employment or a line of business after termination of employment if the agreement or covenant is reasonable as to its duration, geographical area, and the type of employment or line of business. To the extent any such agreement or covenant is found to be unreasonable in any respect, a court may limit the agreement to render it reasonable in light of the circumstances in which it was made and specifically enforce the agreement as limited.

MCL 445.774a(1)

Under Michigan law, such a restrictive agreement is enforceable as long as: (1) it is reasonably drawn as to its duration, geographical scope, and line of business; and (2) it protects the legitimate business interests of the party seeking enforcement. *Apex Tool Group, LLC v Wessels*, 119 F Supp3d 599 (ED Mich 2015). However, such an agreement may not be read to extend beyond an employer's reasonable competitive business interests. *Whirlpool Corp v Burns*, 457 F Supp2d 806 (WD Mich 2006). Such business interests include the anticompetitive use of confidential information and protecting against the solicitation or interference of the employer's

customers. *Mapal, Inc v Atarsia*, 147 F Supp 3d 670 (ED Mich 2015). Finally, if such an agreement is reasonable, and thus not violative of the law or public policy, and the terms contained therein are unambiguous, the agreement is not open to judicial construction and must be enforced as written. *Rory v Continental Ins Co*, 473 Mich 457; 703 NW2d 23 (2005).

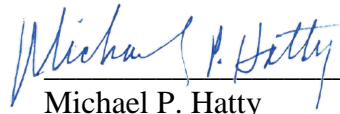
With regard to Plaintiff's request for a preliminary injunction, Defendants respond by asserting that Defendant Deraedt's current employment activity predominantly includes installing "lift kits" and other accessories on off-road vehicles and restoration work on classic cars. Defendants further stated that Defendant Deraedt "has no management or business responsibilities." This Court finds that the interests of justice are served by respecting Plaintiff's legitimate business interests and agreements to protect the same that are entered into by its employees, and that a preliminary injunction can be narrowly crafted to this end while this litigation is pending so that it does not unreasonably interfere with Defendants' rights and interests. Such an injunction will protect Plaintiff from irreparable injury, but not cause unreasonable harm to Defendants. As to the likelihood of success, this Court finds that the narrow fashioning of temporary injunctive relief while this matter is pending would not prevent this Court from later making necessary findings as to a potential permanent injunction that is more closely aligned to the agreements at issue and does not prejudice either party with respect to their arguments related thereto.

NOW, THEREFORE, IT IS ORDERED THAT:

1. Defendant Deraedt is restrained from providing Defendants Arrington or Diversified with any managerial job duties, including managing the day-to-day running of the business, setting goals, and developing and managing relationship with external partners/vendors/customers.

2. Defendant Deraedt is enjoined from providing any of Plaintiff's confidential information to anyone, including Defendants Diversified and Arrington, except as required for purposes of litigation.
3. Defendant Deraedt shall not, nor shall Defendants Arrington or Diversified allow Defendant Deraedt to, perform any service except installing "lift kits" and other accessories on off-road vehicles and restoration work on classic cars.
4. This preliminary injunction shall be enforceable within the geographic region of Livingston County while this litigation is pending, until further order of this Court.

IT IS SO ORDERED.

  
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Michael P. Hatty  
Circuit Court Judge